

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF BLACK HILLS)
POWER, INC. d/b/a BLACK HILLS)
ENERGY FOR APPROVAL OF ITS 2023)
ECONOMIC DEVELOPMENT REPORT)
AND ITS 2024 ECONOMIC)
DEVELOPMENT PLAN)**

Docket EL24-_____

**2023 ECONOMIC DEVELOPMENT REPORT AND
2024 ECONOMIC DEVELOPMENT PLAN**

Black Hills Power, Inc. d/b/a Black Hills Energy (“Black Hills Power” or the “Company”), files its 2023 Economic Development Report and 2024 Economic Development Plan in compliance with the settlement stipulation approved in Docket EL14-026. Black Hills Power respectfully requests an order from the South Dakota Public Utilities Commission (the “Commission”) approving its 2023 Economic Development Report and its 2024 Economic Development Plan.

Background

Black Hills Power has a long-standing commitment to the growth and prosperity of the communities we serve throughout South Dakota and enjoy strong partnerships with local and regional economic development and related organizations. Black Hills Power provides financial resources, leadership support, and volunteer engagement to initiatives and programs focused on business growth, development, housing, workforce, and education. No economic development funds were used for lobbying activities in 2023 or will be used for lobbying activities with the forecasted 2024 budget.

In Docket No. EL14-026, the Commission established the following economic development cost recovery reporting requirements for Black Hills Power.

The Parties agree that economic development expenses up to \$100,000 shall be equally shared by shareholders (\$50,000) and customers (\$50,000). The economic development expenses shall include, but not be limited to, all South Dakota labor, expenses, and monetary contributions. This program will begin on October 1, 2014, and shall continue thereafter until revised by the Commission. Black Hills Power will submit, on an annual basis, no later than March 1st of each year beginning in 2015, for Commission approval a filing which describes the cost, design, and benefit of Black Hills Power's economic development programs. Program costs will be reported on a calendar year basis. Any portion of the annual customer contribution that remains unspent at the end of a program year shall be carried over into the next program year for Commission approval of expenditures or refund. No carry over shall occur for amounts spent annually in excess of \$100,000. This agreement does not preclude Black Hills Power from spending more on economic development nor does it restrict Black Hills Power from asking for modification of these economic development terms in its next general rate filing.

2023 Economic Development Report

Exhibit 1 outlines the 2023 budget approved in Docket No. EL23-004 compared to the actual expenses incurred in 2023. The approved budget totaled \$141,350 with an actual expenditure of \$157,014 for economic development activities throughout the year. Economic Development Memberships actual expenses for 2023 were \$4,850 below the 2023 approved budget and Community Sponsorships and Grants were \$8,000 below the 2023 approved budget. The main drivers for this budget variance are reduced memberships and fewer Grant Program requests during 2023. Labor and related expenses were up from the 2023 approved budget by approximately \$38,000. The increase from the 2023 approved budget is driven by increased business recruitment efforts of the Community Affairs Manager and the Business Development Manager for Black Hills Power.

Black Hills Power economic development investment spans communities throughout our territory in western South Dakota serving more than 70,000 customers in both incorporated and unincorporated areas. By working closely with local business leaders, developers, elected officials, and economic development professionals, Black Hills Power focuses its support to meet the individual needs of each community and growth opportunity. We do this through our structured Economic Development Grant program that allows organizations to solicit support from Black Hills Power year-round to support the unique events and programs in each community.

A. Membership Support of Local Economic Development Related Organizations

Black Hills Power is an active member in 12 economic development related organizations for a total membership investment of \$11,600 in 2023. These organizations have come to depend on Black Hills Power for membership support, leadership and volunteer engagement, and sponsorships. Each organization has a mission which focuses on meeting the growth needs of the community or industry area. Key focus areas for 2023 included workforce recruitment, housing, and childcare solutions.

Table 1- Black Hills Power Economic Development Related Memberships

Organization	Membership Amount
Belle Fourche Economic Development Corp	\$ 1,000
Black Hills & Badlands Tourism Association	\$ 650
Custer Economic Development Corp	\$ 1,000
Deadwood/Lead Economic Development	\$ 1,000
Downtown Rapid City Association	\$ 200
Elevate Rapid City	<i>5-Year membership – paid with Corporate Funds</i>
Heart of the Hills Economic Development	\$ 750
South Dakota Economic Development Prof Assoc	\$ 2,500
Southern Hills Economic Development Corp	\$ 1,000
Spearfish Economic Development Corp	\$ 2,000

Sturgis Economic Development Corp	\$	1,500
Total	\$	11,600

B. Economic Development Grants and Community Sponsorships

The Black Hills Power Economic Development Grant Program allows the utility to partner with communities and organizations to support growth and development that meets the unique needs of each community. As seen in Exhibit 3, Black Hills Power publishes guidelines each year to offer clarification on how the organization supports economic development activity throughout our South Dakota territory. These guidelines are distributed at the beginning of the year to our regional economic development offices and community partners engaging in qualifying programming.

Black Hills Power supported key development opportunities throughout 2023 which are outlined in the below table. Investments centered around childcare opportunities, housing studies, education, and workforce connections. The grant program supports economic development functions through event sponsorship, research and program collaborations, and investments in professional and organizational development of local economic development leaders.

Table 2 - Black Hills Power 2023 Economic Development Grant Support

Organization	Description and Impact	Amount
Black Hills Military Advisory Coalition	Annual sponsorship of military support events and initiatives that connect military members and families to workforce, community engagement, and business development opportunities in the region.	\$ 10,000
Community Education of the BH / BH Special Services Cooperative	BH Community Education will produce education programs to support workforce and leisure activities. Funding will support the cost of publishing, printing and mailing the Fall 2023 / Spring 2024 Season Course Booklets for community classes in the Black Hills.	\$ 2,500

Deadwood Chamber of Commerce	For promotion (print and digital) of Deadwood City-Wide Job Fair, April 20, 2023, to fill open jobs. Job shortage particularly critical leading into summer tourist season. BHE logo used in promotional material and at job fair.	\$ 500
Deadwood Lead Economic Development Corp	Sponsor annual meeting scheduled for Dec 2023, at Lodge in Deadwood. Meeting is a critical way to disseminate information about their revolving loan program, highlight community members which inspire others to support economic development, share successes, and to thank stakeholders.	\$ 2,500
Destination Rapid City / Main Street Square (Downtown Rapid City)	Funds to assist the 2023 programming and marketing. Programming by Downtown Rapid City promotes local businesses in order to contribute to the success and growth of downtown Rapid City.	\$ 10,000
Elevate Rapid City	Cost for Chris Kuehl, economic speaker, at Elevate's 2023 Economic Summit.	\$ 1,000
Enterprise Institute	Annual entrepreneurship event - Innovation Expo held at SDSMT on Oct 17, 2023.	\$ 1,000
Prairie Hills Childcare Center (West River Transit Authority)	PHCCC is a licensed non-profit childcare center in Spearfish undergoing a major expansion to further meet the extreme need for childcare in their community	\$ 5,000
Rapid City Area School District	8th Grade Career Fair	\$ 1,000
Rushmore Region Alliance	Digital marketing campaign to Dakota Dunes area in response to Tyson foods layoff to direct highly skilled workforce to open corporate jobs in the Black Hills.	\$ 2,550
Rushmore Region Alliance	3rd annual "Fuel the Growth" ED workshop, Sep 12-14, 2023, held at BHSU-Rapid City, teaches basic ED practices. Previous 2 workshops were extremely successful and attracted participants from across SD and neighboring states.	\$ 3,000
SD Association for the Education of Young Children / SD State Chamber	Support the implementation of a SD Childcare Task Force to explore, study and report out the barriers and recommendations to address the childcare crisis currently happening throughout the state.	\$ 5,000

SD Chamber of Commerce & Industry	2023 Giant Vision Sponsorship	\$ 5,000
SDCEO (Black Hills State University Foundation)	Sponsorship of the annual Women's Business Summit in October and the Women's Business Awards in May.	\$ 4,000
SDSMT - Center for Alumni Relations & Advancement	SD Mines Competitive Entrepreneurial Opportunity (CEO) Program is a comprehensive, semester-long program designed to immerse students in all aspects of business. The student business plan competition was held Dec 2, 2023, at SD Mines.	\$ 5,000
Southern Hills Economic Development Corp. (SHEDCO)	Sponsor Annual Meeting scheduled on January 18, 2024. To inform SHEDCO members and community of the economic development happenings and results. Banquet hosts approximately 100 area business owners who are members of SHEDCO	\$ 1,000
Spearfish Economic Development Corp.	Sponsor Annual Meeting scheduled on January 19, 2023.	\$ 1,000
Spearfish Economic Development Corp.	Workforce Development Summit	\$ 1,500
State of SD GOED Conference	2023 Governor's Office of Economic Development Conference offers ED professionals from around the state the opportunity to come together, network, and learn new information that will help them develop their communities.	\$ 1,500
Sturgis Economic Development Corp	Registration fee for the ToP Facilitation Methods Training for Executive Director.	\$ 450
Sturgis Economic Development Corp	To support an updated housing study that will guide advocacy efforts for appropriate housing needs in Sturgis.	\$ 5,000
Women In Science (Black Hills State University)	The 2023 Women in Science Conference at Black Hills State University, scheduled for May 10, 2023 encourages middle school girls to pursue careers in Science, Technology, Engineering, and Math (STEM).	\$ 1,000

Youth in Science	We are seeking funds to support the 2023 Women in Science Conference at South Dakota Mines on March 14, 2023. This event aims to encourage middle school girls to pursue careers in Science, Technology, Engineering, and Math (STEM)	\$ 2,000
	Total Grant Funds Invested	\$ 71,500

2024 Economic Development Plan

Exhibit 2 outlines the proposed 2024 Economic Development Plan. We do not foresee any significant changes in the budget between 2023 and 2024 as our community partners appreciate the consistent support offered by Black Hills Power. We proudly sponsor many events that offer education, connection, and promote the work our local partners are doing for economic growth in South Dakota. We will continue to work with local governments, Chambers of Commerce, Economic Development Organizations, Regional and Statewide Economic Development Alliances, and other organizations doing related growth and development work.

In 2024, we plan to partner with local communities and a national site selection firm to study how each area promotes available industry and business park spaces through their website, RFP packages, and other communications. Our goal is to offer professional resources and feedback to ensure local economic development organizations have the tools they need to successfully promote their available properties. Black Hills Power proposed a 2024 Economic Development budget of \$153,650, as represented in Exhibit 2.

Company Contacts

Black Hills Power will be represented in this proceeding by the following persons. Correspondence regarding this proceeding should be directed to the following:

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Exhibits

The following exhibits are presented in support of this Economic Development Report and Plan:

- Exhibit 1 2023 Economic Development Report
- Exhibit 2 2024 Economic Development Plan
- Exhibit 3 Economic Development Grant Program

Conclusion

Black Hills Power respectfully requests the Commission issue an order approving the 2023 Economic Development Report along with the 2024 Economic Development Plan.

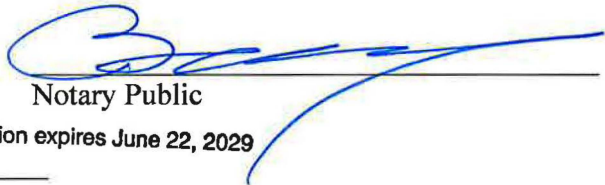
STATE OF SOUTH DAKOTA)
) SS:
COUNTY OF PENNINGTON)

I, Jason S. Keil, being duly sworn, do hereby depose and say that I am Manager – Regulatory for Black Hills Power, Inc. d/b/a Black Hills Energy, that I have read such Application, and that the facts set forth therein are true and correct to the best of my knowledge, information and belief.



Jason S. Keil
Manager - Regulatory

Subscribed and sworn to before me this 29th day of February, 2024.



Notary Public
My commission expires June 22, 2029

My Commission Expires: _____